

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CEA-02 CIAE-00 COME-00 EB-11

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OPIC-12 SP-03 TRSE-00 CIEP-02 LAB-06 SIL-01 SWF-02

OMB-01 STR-08 AGR-20 OIC-04 SS-20 NSC-07 L-03 H-03

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FM USMISSION OECD PARIS
TO SECSTATE WASH DC 3196

UNCLAS SECTION 01 OF 02 OECD PARIS 16428

E.O. 11652: N/A

TAGS: EIND, OECD

SUBJECT: MEETING OF WORKING PARTY 1 OF OECD INDUSTRY
COMMITTEE ON MULTINATIONAL ENTERPRISES, JULY 2-3, 1974

REF: A. DIE/IND1/74.6

B. DIE/IND1/74.9

C. C(73)216

D. DIE/IND/INT.ENT./74.5

1. SUMMARY - WP PREPARED DRAFT REPORT BY INDUSTRY
COMMITTEE TO OECD COUNCIL INDICATING LIMITED PROGRESS IN
SETTING UP HARMONIZED STATISTICAL SYSTEM ON MNCS. ALSO
DISCUSSED FURTHER REFINEMENTS TO DEFINITIONS OF
STATISTICAL CONCEPTS. WP ALSO PREPARED DRAFT OF NEW
FORMAT FOR FUTURE COUNTRY STATEMENTS ON MNCS.

2. INDUSTRY COMMITTEE DRAFT REPORT TO OECD COUNCIL
(REF. B) - MAIN PURPOSE OF MEETING WAS TO PREPARE
INDUSTRY COMMITTEE REPORT TO OECD COUNCIL DUE JULY 31.
MEETING CONCENTRATED HEAVILY ON DISCUSSION OF DRAFT
INITIATED DURING MAY MEETING WHEN LACK OF DATA MADE IT
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IMPOSSIBLE TO COMPLETE REPORT. TO OBTAIN NECESSARY

INFORMATION, A QUESTIONNAIRE ON PRESENT AND FUTURE AVAILABILITY OF STATISTICS WAS SENT TO ALL 24 PARTICIPATING COUNTRIES (REF. B). REPLIES FROM 16 COUNTRIES, INCLUDING US, SHOWED THAT, WHILE FEW COUNTRIES NOW ABLE TO SUPPLY REQUESTED DATA, MOST ARE IN PROCESS OF SETTING UP STATISTICAL PROGRAMS WHICH ARE EXPECTED TO YIELD SIGNIFICANT DATA WITHIN NEXT TWO YEARS.

3. DISCUSSION OF DRAFT REPORT AND RESULTS OF QUESTIONNAIRE SHOWED THAT MEMBER COUNTRIES USE DIFFERENT INTERNATIONAL STANDARDS FOR DEFINITIONS AND THAT INTERPRETATION OF STANDARDS VARIES GREATLY FROM COUNTRY TO COUNTRY. RESULTING LACK OF COMPARABILITY IS MOST PRONOUNCED WITH REGARD TO ITEMS ON AMOUNT OF CAPITAL UNDER FOREIGN INFLUENCE AND THE STOCK OF DIRECT INVESTMENT CAPITAL. OTHER MAJOR DIFFICULTIES STEM FROM DIFFERENT USE OF REPORTING UNITS (ENTERPRISE/ CORPORATION/ESTABLISHMENT), DEGREE OF DISAGGREGATION OF AVAILABLE STATISTICS, DEGREE OF INDUSTRIAL DETAIL, AND DIVERGENCES IN REPORTING PERIODS. THERE WAS GENERAL AGREEMENT THAT MUCH ADDITIONAL WORK IN REFINING CONCEPTS NEEDED TO ESTABLISH HARMONIZED REPORTING SYSTEM IN FUTURE.

4. DURING DISCUSSION OF DRAFT REPORT, AUSTRALIA AND CANADA TRIED HARD TO GAIN GREATER ACCEPTANCE FOR "AGREED DEFINITIONS" BY DEMANDING COMMITMENT FOR CONTINUOUS EXAMINATION OF THIS QUESTION IN FUTURE MEETINGS. MAJOR PURPOSE OF THIS ENDEAVOR APPARENTLY IS DESIRE TO FORCE GREATER EXPOSURE OF MNC OPERATIONS.

5. US REPRESENTATIVE INDICATED THAT, ALTHOUGH WP IS UNDER INSTRUCTION TO ATTEMPT TO SET UP HARMONIZED STATISTICAL SYSTEM ON MNCS, IT WAS NECESSARY TO TERMINATE DISCUSSION OF DEFINITIONS AT SOME POINT IN ORDER TO ALLOW COUNTRIES TO UNDERTAKE PREPARATION OF REQUESTED DATA. OTHERWISE, IT WOULD BE QUITE IMPOSSIBLE TO PRODUCE ANYTHING WITHIN REASONABLE TIME FRAME.

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6. US DELEGATE ALSO MADE POINT THAT US STATISTICAL DATA GATHERING EFFORT NOW UNDERWAY AND NOTED THAT SOME US DEFINITIONS AND CONCEPTS PROBABLY DIVERGE FROM INTERNATIONAL DEFINITIONS. SIMILAR POINTS MADE BY DELEGATES FROM UK, CANADA, AUSTRALIA, GERMANY AND NETHERLANDS). AGREED DRAFT FINALLY APPROVED FOR TRANSMITTAL TO COUNCIL BY INDUSTRY COMMITTEE.

7. PRESENTATION OF FUTURE COUNTRY STATEMENTS -
CONSIDERATION OF FORMAT OF FUTURE COUNTRY STATEMENTS ON
EFFECTS OF MNCS ON INDUSTRIAL STRUCTURE WAS CONTINUATION
OF DISCUSSION INITIATED AT MAY MEETING. NEW FORMAT
ESSENTIALLY EMBODIES MANDATE FOR FURTHER STUDIES
PREVIOUSLY APPROVED IN REPORT BY OECD COUNCIL (REF. C).
SUGGESTIONS SUBMITTED BY UK AND CANADIAN DELEGATIONS

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(REF. D) ADDED NEW ITEMS TO ALREADY FORMIDABLE WORK
PROGRAM FOR 1974/75. IMPLEMENTATION OF WORK PROGRAM
REQUIRES DETAILED NEW INFORMATION ON GOVERNMENT POLICIES
AND LEGISLATION CONCERNING MNCS AS WELL AS DATA ON
MANAGEMENT CONTROL TECHNIQUES, INTER-COMPANY STATISTICS,
TAKEOVERS, MEASURES FOR PROTECTING NATURAL RESOURCES AND
EFFECTS OF MNCS ON PRODUCTION, EMPLOYMENT, TRADE,
MARKETING, REGIONAL DEVELOPMENT, TECHNOLOGY, ETC.
ASSEMBLING SUCH INFORMATION CLEARLY BEYOND SCOPE OF
DATA CURRENTLY AVAILABLE IN MOST COUNTRIES. THEREFORE,
WP WILL ATTEMPT AT NEXT MEETING TO PREPARE QUESTIONNAIRE

FOR ACQUIRING NEEDED DATA. GIVEN SUBSTANTIAL WORK PROGRAM ALREADY UNDERWAY AND NATURE OF NEW DATA DESIRED, THIS ASPECT OF MNC STUDY NOT LIKELY TO BE PRODUCTIVE.

8. FUTURE MEETINGS - NEXT MEETING OF WP TENTATIVELY SCHEDULED FOR PERIOD BETWEEN 20 OCT - 18 NOV. 1974.

9. COMMENT - IT IS CLEAR FROM DISCUSSION AND UNCLASSIFIED

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RESULTS OF QUESTIONNAIRE THAT SETTING UP HARMONIZED INTERNATIONAL SYSTEM OF STATISTICS FOR MNCS NOT LIKELY TO BE ATTAINED IN NEAR FUTURE ALTHOUGH LIMITED PROGRESS IS POSSIBLE AT LEAST FOR MAJOR COUNTRIES. CANADIAN AND AUSTRALIAN DELEGATIONS AGGRESSIVELY PURSUED THEIR APPARENT STRATEGY OF PRESSING FOR MAXIMUM EXPOSURE OF MNC OPERATIONS. SWEDES, USUALLY WILLING SUPPORTERS OF THIS POSITION, WERE NOTABLY SILENT, PERHAPS DUE TO ABSENCE OF REGULAR SWEDISH DELEGATE. DANISH AND FINNISH DELEGATIONS MORE ACTIVE THAN USUAL. SUBSTANTIAL WORK PROGRAM FOR COMING YEAR PROBABLY OVERAMBITIOUS. BROWN

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